

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2001-503-C - ORDER NO. 2002-258

APRIL 10, 2002

IN RE: Application of Global NAPs South Carolina, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services in the State of South Carolina and for Modified Alternative and Flexible Regulation.	) ORDER GRANTING ) CERTIFICATE FOR ) LOCAL AND ) INTEREXCHANGE ) AUTHORITY AND FOR ) MODIFIED ) ALTERNATIVE AND ) FLEXIBLE REGULATION
---	--

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Global NAPs South Carolina, Inc. ("Global NAPs" or the "Company") for authority to provide local exchange and interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business interexchange services offerings under the identical regulatory treatment granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2000) and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed Global NAPs to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the

areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition (“SCTC”) on February 19, 2002.

On March 5, 2002, counsel for SCTC filed with the Commission a Stipulation in which Global NAPs stipulated that it would seek authority only in non-rural local exchange (“LEC”) service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Global NAPs provided written notice of its intent prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Global NAPs agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on March 27, 2002, at 11:30 a.m. in the Commission’s Hearing Room. The Honorable William Saunders, Chairman, presided. Global NAPs was represented by Bonnie D. Shealy, Esquire. Adelaide D. Kline, Staff Counsel,

represented the Commission Staff. James R. J. Scheltema, Director – Regulatory Affairs for Global NAPs, appeared and testified in support of the Application.

According to the record, Global NAPs South Carolina, Inc. is a Delaware corporation formed on March 23, 2000. It is a wholly-owned subsidiary of Ferrous Miner Holdings, Ltd., a closely-held private company. Global NAPs South Carolina, Inc. is not certificated in any other jurisdiction. Mr. Scheltema testified that Global NAPs has affiliated companies that are certificated to provide local exchange services in twenty states. Global NAPs has received authority from the South Carolina Secretary of State to transact business within the State of South Carolina. Global NAPs's corporate headquarters are located in Quincy, Massachusetts. He said Global NAPs specifically proposes to offer local service, beginning with ISDN services to business customers throughout the state. He stated that according to the Company's business plan, it does not initially plan to provide voice service in South Carolina but hopes to offer it in the near future. He explained that ISDN means integrated services digital network, or digital services that use a technology that provides faster transmission speeds using the same copper telephone lines, usually the existing local telephone wiring.

According to Mr. Scheltema, the services his Company provides will offer an alternative means to customers to obtain dial up service to Internet Service Providers (ISPs). He said Global NAPs services are tailored for business customers with data communications requirements. Mr. Scheltema stated that Global NAPs South Carolina, Inc. will not offer long distance services or services capable of handling switched voice applications at this time. He said the Company proposes to offer local data and point to

point services throughout the state, initially offering service in metropolitan areas. He testified that the Company has plans to deploy a Convergent ICS 2000 broadband switch and over time, as demand warrants, the Company may build or buy additional facilities in South Carolina for handling South Carolina-based customers. Mr. Scheltema also stated that Global NAPs will interface, for the most part, with the ILEC for line maintenance because it will not have its own outside plant facilities.

As to marketing its services in South Carolina, Mr. Scheltema said his Company does not intend to do any telemarketing at this time. The record reveals Global NAPs will use a variety of techniques to obtain customers, primarily using personal visits. The record further reveals that business customers will be reached using alternative contact methods, e.g., direct mailing or more wide ranging coverage in newspapers, magazines, etc. He stated they will market directly to ISPs and also to businesses that are within a certain distance of the fiber paths which typically are deployed along railway beds. He testified his Company initially will offer its services in metropolitan areas in South Carolina which have not yet been determined.

Global NAPs asked this Commission for approval of alternative regulation of its business services as was first approved by the Commission in Orders No. 95-1734 and 96-55, Docket No. 95-661-C, and modified by Order No. 2001-997, and flexible regulation for local exchange services first approved in Docket 97-467-C. Mr. Scheltema offered that his Company requests approval of alternative regulation in which maximum rates would be eliminated for certain long distance business services, consumer card and operator service offerings. He stated he understands the Commission's recent

modification of alternative regulation. Mr. Scheltema testified that his Company will be a nondominant competitive provider of local service. He further said his Company understands that flexible regulatory treatment requires that they file maximum rates for their service offerings and that local tariff filings would be presumed valid once they are filed subject to the Commission's right to investigate the filing within thirty days. With regard to interconnection agreements, Mr. Scheltema testified that Global NAPs South Carolina, Inc.'s parent company currently is negotiating on a region wide basis with BellSouth for the provision of the services the Company intends to offer in South Carolina.

Mr. Scheltema opined that Global NAPs possesses the financial, technical, and managerial resources to provide telecommunications services in the State of South Carolina. As to Global NAPs's managerial abilities to provide the service in South Carolina which it seeks to provide, Mr. Scheltema said that Global NAPs has established a strong team to support its venture into the telecommunications market. He testified that his Company has been providing telecommunications service since 1996. Further, he stated the Company has the managerial ability and experience in the telecommunications industry that will allow it to be a successful competitive local exchange and toll provider in South Carolina. He said his Company's customer retention rate and continued viability provide confirmation of its ability to provide quality services. The record reveals Frank T. Gangi is General Manager. Barton F. Bruce is Director of Technology and Ann Hartman is Chief Financial Officer. Mr. Scheltema further testified that William J. Rooney, Jr., is Secretary and General Counsel. Mr. Scheltema stated he is a Certified

Public Accountant (CPA) and an attorney. He said he has been in the telecommunications industry for five years. He testified he has practiced telecommunications law, was on the Staff of the Maryland Public Service Commission, worked directly as counsel for WorldCom, and has also been in the private practice of law.

With regard to Global NAPs's financial ability to operate as a telecommunications carrier, Mr. Scheltema states that Global NAPs has sufficient financial capability to provide the requested telecommunications services in South Carolina and has the financial capability to maintain these services, and also has the financial capability to meet its lease and ownership obligations. He said that Global NAPs South Carolina, Inc. will rely on its parent company for financial support. He also said that the parent company is financially healthy and viable.

As to the Company's customer service, the record reveals that Global NAPs will offer comprehensive customer service on its toll-free telephone number 1 (800) 243-1717. Mr. Scheltema said that this or a comparable number will appear on the customer's bill and customers may contact this number for information concerning their bills. Customer service agents will be available twenty-four hours per day, seven days a week. Mr. Scheltema further stated that the Company will directly bill its customers. He said William J. Rooney, Jr., will serve as the Company's regulatory contact person. Mr. Scheltema said he also would be available as a regulatory contact person. Mr. Rooney can be reached at (617) 504-5513. Mr. Scheltema will be the financial contact person.

Mr. Scheltema asserts that Global NAPs will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Mr. Scheltema assured

the Commission that Global NAPs's service will meet applicable service standards and that Global NAPs will support universally available telephone service at affordable prices if and when the Company provides voice services. Further, Mr. Scheltema offered that approval of Global NAPs's Application serves the public interest by increasing telecommunications competition in South Carolina thereby bringing about lower rates, improved quality of service, and enhanced services. Moreover, the presence of Global NAPs in the market will increase incentives for the ILEC's to reduce their prices, offer more innovative services, and improve their quality of service thereby benefiting all consumers in South Carolina. Mr. Scheltema also offered that approval of Global NAPs's Application would not adversely impact the availability of affordable local service.

Mr. Scheltema testified that Global NAPs has never had authority denied in any state where it has applied for authority nor has the Company had authority revoked in any state where it has been granted authority. Additionally, he stated Global NAPs has never been the subject of an investigation or sanctioned for service or billing irregularities by any regulatory authority. According to the testimony, Global NAPs has not marketed its services in South Carolina prior to receiving certification, and Global NAPs has not received revenues from the completion of intrastate calls in South Carolina prior to receiving certification. Mr. Scheltema stated that Global NAPs will abide by all the Commission's rules, regulations and Orders upon the Company receiving certification to provide intrastate interexchange and local exchange telecommunications services in South Carolina.

Mr. Scheltema stated he was familiar with Commission Staff's recommended changes to the tariff and confirmed that the Company would be willing to make all of the suggested changes to its final tariff. In addition, Mr. Scheltema agreed to provide the Company's email address and telephone number on the bottom of each Tariff page and will also furnish a copy of its Bill Form, according to 26 S.C. Code Ann. Regs. 103-612.2 and 103-622.1 (1976). He further committed his Company to file the Commission's required financial reports in a timely fashion.

Finally, Mr. Scheltema discussed Global NAPs's requests for certain waivers of Commission regulations. Global NAPs asks that it be exempt from any rules or regulations that would require it to keep its financial records in conformance with the Uniform System of Accounts. Global NAPs seeks to maintain its books of accounts in accordance with the Generally Accepted Accounting Principles (GAAP). Additionally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 & Supp. 2001) so that it will not be required to publish local exchange directories should the company offer local switched voice services in the future. If, and when, Global NAPs offers local switched voice services, it will contract with at least one incumbent local exchange carrier for the inclusion of Global NAPs's CLEC data base into the master customer data base of the local exchange carrier. The Company also seeks waiver of 26 S.C. Code Ann. Regs. 103-610 (1976 & Supp. 2001) so that Global NAPs can maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters in Quincy, Massachusetts.



Additionally, Global NAPs requested this Commission to waive 911 requirements as the Company will not be offering switched voice services at this time. The Company agreed to notify the Commission should it decide to offer voice services in the future and also pledged to comply at that time with all of the 911-E911 requirements of this Commission.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Global NAPs is a privately held corporation duly organized and existing under the laws of the State of Delaware and is authorized to do business in the State of South Carolina by the Secretary of State.

2. Global NAPs is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.

3. Global NAPs has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2000).

4. The Commission finds that Global NAPs's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2000).

5. The Commission finds that Global NAPs will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2000).

6. The Commission finds that Global NAPs will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2000).

7. The Commission finds that the provision of local exchange service by Global NAPs “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2000).

#### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Global NAPs to provide competitive intrastate local exchange services only to customers located in the non-rural areas of the state. The terms of the Stipulation between Global NAPs and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications service to rural service areas is subject to the terms of the Stipulation. In addition, Global NAPs is granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. Global NAPs shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Global NAPs's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for Global NAPs's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Global NAPs's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of Global NAPs which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and modified by Order No. 2001-997.

Under the Commission approved modified alternative regulation, the business service offerings of Global NAPs, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T

Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Global NAPs also.

4. With regard to the residential interexchange service offerings of Global NAPs, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. With regard to residential interexchange service rates, Global NAPs shall not adjust its residential interexchange service rates below the approved maximum level

without notice to the Commission and to the public. Global NAPs shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2000).

6. If it has not already done so by the date of issuance of this Order, Global NAPs shall file its revised long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. Should Global NAPs make the decision to provide voice services in South Carolina in the future, it will be required to comply with Title 23, Chapter 47, South Carolina Code of Laws Ann. which governs the establishment and implementation of a Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of

quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Global NAPs should it decide to provide voice services in South Carolina, to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Global NAPs shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

8. Global NAPs is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. Global NAPs shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Global NAPs changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, Global NAPs shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

12. Global NAPs shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, Global NAPs shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm). The two page form the Company shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunications companies requires the filing of intrastate revenues and intrastate expenses.

13. In addition, Global NAPs is required to file annual report information for competitive local exchange carriers. The form the Company shall use to file annual

financial information with the Commission can be found at the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm). This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. Additionally, Global NAPs shall file with the Commission a quarterly report entitled "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm).

14. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Global NAPs shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. Global NAPs shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2000).

15. Global NAPs shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all



Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

16. The Federal Communications Commission (FCC) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 2, 1001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. This Company must comply with the applicable mandates. For complete information on compliance with this FCC and Commission requirement, go to the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms).

17. By its Application, Global NAPs requested a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2001). In lieu of publishing local directories, Global NAPs informs the Commission that if, and when, it provides switched voice services, it will contract with the incumbent LECs to provide Global NAPs's customers with directory listings, as well as to undertake the distribution of directories. The Commission

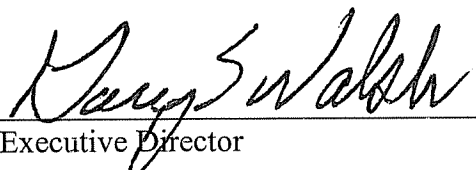
finds Global NAPs's request reasonable and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2001). Further, Global NAPs is granted a waiver of 26 S.C. Regs. 103-610 (1976 and Supp. 2001) requiring the Company to maintain its financial books and records within the State of South Carolina. Global NAPs is hereby granted permission to maintain its financial books and records at its principal headquarters in Quincy, Massachusetts. Further, the Commission acknowledges that Global NAPs will maintain its financial books and records in conformance with GAAP. Global NAPs is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

18. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

April 10, 2002

Exhibit No. 1

*filed 3/5/02*

BEFORE

THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No. 2001-503-C

Re: Application of Global NAPs South Carolina, Inc. )  
for a Certificate of Public Convenience and )  
Necessity to Provide Local Exchange and )  
Interexchange Telecommunications Services in )  
the State of South Carolina )  
\_\_\_\_\_ )

**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Global NAPs South Carolina, Inc. ("Global NAPs") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Global NAPs' Application. SCTC and Global NAPs stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Global NAPs, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Global NAPs stipulates and agrees that any Certificate which may be granted will authorize Global NAPs to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Global NAPs stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Global NAPs stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until Global NAPs provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Global NAPs acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Global NAPs stipulates and agrees that, if Global NAPs gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Global NAPs will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Global NAPs acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

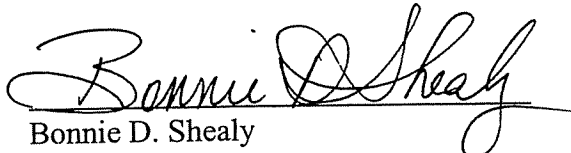
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Global NAPs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Global NAPS agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Global NAPS hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 4<sup>th</sup> day of March, 2002.

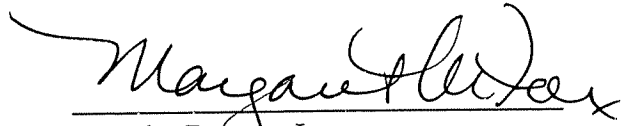
Global NAPS South Carolina, Inc.



Bonnie D. Shealy  
Robinson, McFadden & Moore, P.C.  
Post Office Box 944  
Columbia, South Carolina 29202  
(803)779-8900

Attorneys for Global NAPS  
South Carolina, Inc.

South Carolina Telephone Coalition



M. John Bowen, Jr.  
Margaret M. Fox  
Post Office Box 11390  
Columbia, South Carolina 29202  
(803) 799-9800

Attorneys for the South Carolina Telephone  
Coalition

## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Ft. Mill Telephone Company

Heath Springs Telephone Company Inc.

Home Telephone Company, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

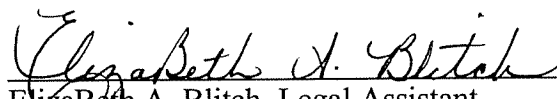
Docket No. 2001-503-C

Re: Application of Global NAPs South Carolina, Inc. )  
for a Certificate of Public Convenience and )  
Necessity to Provide Local Exchange and )  
Interexchange Telecommunications Services in )  
the State of South Carolina )  
\_\_\_\_\_ )

**CERTIFICATE OF  
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Bonnie D. Shealy, Esquire  
Robinson, McFadden & Moore, P.C.  
Post Office Box 944  
Columbia, South Carolina 29202

  
ElizaBeth A. Blich, Legal Assistant  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

March 5, 2002

Columbia, South Carolina